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November 24, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

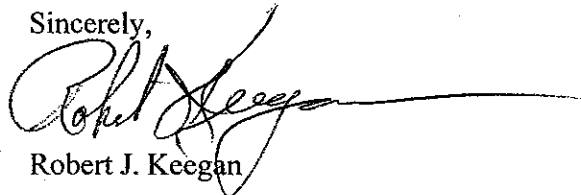
Re: D.T.E. 03-47-B (Phase II) Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, NSTAR Gas Company, Pension/PBOP Adjustment Compliance Filing

Dear Ms. Cottrell:

Enclosed for filing in the above-referenced matter is the supplemental response of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company and NSTAR Gas Company (together, the "Company") to Attorney General Information Request AG-1-4.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Keegan", with a long horizontal flourish extending to the right.

Robert J. Keegan

Enclosures

cc: Caroline Bulger, Hearing Officer
Joe Rogers, Assistant Attorney General
Alexander Cochis, Assistant Attorney General

Information Request AG-1-4

Please provide the workpapers, calculations, formulas, assumptions, and supporting documentation used to allocate the pension assets, liabilities, and costs to NSTAR's generation, transmission, holding company, and other businesses. Please also provide a five-year history of the dollar amount and the percentage of pension cost allocated.

Response (Supplemental)

Please see the Company's response to Information Request AG-1-4 for the allocation of pension costs among the NSTAR operating companies and non-distribution-related companies and functions.

With respect to the prepaid amounts, NSTAR maintains one qualified pension and other postretirement benefit plan. However, for the purpose of the Company's filing in this case, we have allocated the prepaid pension and PBOP liability balances (net prepaid) to the individual operating subsidiaries. Although the percentages allocated to each company were estimated at the time of the Company's first pension/PBOP adjustment filing in December 2003 (the "PAF Filing"), the Company has since updated the data using actual 2003 straight time labor costs incurred by each operating company. This information will be reflected in the Company's December 2004 PAF reconciliation filing, and the allocations are shown in the table below:

Subsidiary	12/31/03 Prepaid Pension	12/31/03 PBOP Liability	Reference	Percentage	Reference
Boston Edison	\$163.707	\$(29.970)	Net Prepaid times Percentage	56.493 %	AG-1-4, p. 7 of 7, Column I
Commonwealth Electric	57.418	(10.512)	Net Prepaid times Percentage	19.814 %	AG-1-4, p. 7 of 7, Column I
Cambridge Electric	8.421	(1.542)	Net Prepaid times Percentage	2.906 %	AG-1-4, p. 7 of 7, Column I
NSTAR Gas	55.809	(10.217)	Net Prepaid times Percentage	19.259 %	AG-1-4, p. 7 of 7, Column I
Unregulated subsidiaries	<u>4.425</u>	<u>(0.810)</u>	Net Prepaid times Percentage	<u>1.527 %</u>	AG-1-4, p. 7 of 7, Column I
Total	\$289.783	\$(53.051)	AG-1-1; attachment, p. 5 (pension); AG-1-11; attachment, p.4 (PBOP)	100.000 %	

With respect to the Company's allocation of its pension prepaid amount to the transmission function, NSTAR allocates approximately 3.54 percent of its prepaid pension to its transmission customers for the purpose of recovery of carrying charges. This amounted to \$10.3 million (\$289.783 x 3.54%) of the prepaid balance at 12/31/03.

With respect to the Company's allocation of its pension prepaid amount to the generation function, at the time NSTAR divested itself of its generation business (between 1997 and 2000), the combined NSTAR electric companies (Boston Edison Company, Commonwealth Electric Company and Cambridge Electric Light Company) recognized \$55.8 million of accounting costs related to generation employees and reduced its prepaid balance by an identical amount. Similarly, in 1999 and 2000, NSTAR recognized for accounting purposes and reduced its prepaid amount by \$45.7 million to reflect merger related pension and PBOP costs. Neither of these amounts are included in the \$289.783 million prepaid balance as of December 31, 2003.